

Annex I to final FUR – UDF-15-BRA-681

In complement to the submission of our final Financial Utilization Report, we include the following justifications to some of the deviations regarding the original budget:

Budget item	Justification
1.a)	Over-expenditure due to the reallocation of savings from 1.b) to pay additional benefits to Project Manager. Given the original budget constraints of the project, she was disadvantaged in comparison to the rest of the staff and was not paid certain optional benefits. As we obtained savings under 1.b) due to a higher exchange rate with the disbursement of the 2 nd and 3 rd tranches, it was decided that this surplus would be reallocated to 1.a) to correct this distortion. Despite using all the resources available according to the negotiated budget for personnel costs, this was insufficient to cover all the remuneration for the last month of the project for both the Project Manager and the administrative assistant.
1.b); 1.c)	Under-expenditure due to savings from positive variation in exchange rate.
2.	Over-expenditure due to costs for additional activity (printing of 300 copies each of a series of 7 folders to promote the course materials produced by the project). The funds were used by reallocating savings from other budget items. Expenditures approved by e-mail communication with Undef in June 2019.
3. a)	Under-expenditure due to savings in the costs of the purchased items and variation in exchange rate.
3. b)	Over-expenditure due to the inclusion of furniture that was needed after we moved to a new, unfurnished office. Initially, the budget for office furniture had been excluded from the budget, since we were using a fully equipped co-working space. These expenditures were approved by e-mail communication with Undef in March 2019. The additional expenditure is fully covered by the savings in item 3.a), so that no general over-expenditure results for item “3. Equipment and furniture”.
4. a)	Over-expenditure due to additional meetings with public officials to promote the project (members of Parliament and Public Prosecutor’s Office).
4.b); 4.c)	Under-expenditure due to savings in travel expenditures and variation in exchange rate, even though additional activities were also implemented (2 nd in-site training for three modules – 3-day event; additional panel with 5 external speakers for closing event).
5.	Over-expenditure due to costs for additional activities (design for series of 7 folders to promote the course materials produced by the project; English translation of final report). Expenditures approved by e-mail communication with Undef in June 2019.
6.a)	Over-expenditure due to additional costs for closing event. We reallocated expected savings to have a larger closing event – originally we had only one session planned, and we ended up having a full-day event with 3 discussion panels and 2 workshops with participants from local partners and local administrations. Also, given the logistic complexity of a larger event, we had to hire an agency to assist with the organization, hence the additional costs, which were in fact greatly covered by savings from costs in other events as well.
6.c)	Under-expenditure due to savings on audit costs, which were lower than originally anticipated due to negotiations to reduce the costs.
6.d)	Over-expenditure due to unforeseen costs for international transfer to return remaining funds to Undef (estimated at US\$ 550). In addition to fees and taxes on the transaction, we also faced exchange rate losses. The inclusion of these costs under this item was approved by e-mail communication in June 2019.
7. a)	Under-expenditure due to variation in the exchange rate and the fact that two local partners were unable to organize the local stakeholder consultation and returned the funds they had received for this activity.